



**KANSAS CITY
BOARD OF POLICE COMMISSIONERS**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2004-86
November 18, 2004
www.auditor.mo.gov**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

November 2004

The following problems were discovered as a result of an audit conducted by our office of the Kansas City Board of Police Commissioners.

The Kansas City Board of Police Commissioners (KCBPC) assigns take-home vehicles to 377 personnel. At least 151 of these 377 personnel were sergeants and higher ranking officers. There are four general criteria for assignment of a take-home vehicle:

- The employee is subject to standby/on-call duty.
- The vehicle is assigned a security status because it contains department equipment or operates in an undercover capacity.
- The assigned workplace of the employee has very limited parking.
- The vehicle is funded by grants requiring the vehicle to be kept in high visibility status.

We noted that 248 of the 377 personnel assigned take-home vehicles fell under the standby/on-call criteria. Based on information provided by personnel assigned a take-home vehicle, we estimated that 168 employees with take-home standby/on-call vehicles were called back less than 3 times each month. The annual cost of the commuting mileage for the 168 take-home standby/on-call vehicles was about \$329,000. We estimated the cost of reimbursing the 168 employees for the use of their personal vehicles in lieu of providing a take-home vehicle in these limited use situations would have been about \$34,000 annually, resulting in an annual savings of about \$295,000. In addition, eliminating the commuting mileage placed upon the take-home vehicles would result in a reduction of nearly 1 million fleet miles annually.

We also found the KCBPC could further reduce cellular telephone expenses by ensuring established review procedures are fully performed each month, and by changing some phones to more economical plans. We obtained the cellular bills for 475 phones that were not assigned to undercover operations. During the three years ended April 30, 2004, the department spent about \$866,000 for cellular services for these 475 phones. Of that amount over \$133,000 was paid for excess minutes and roaming charges.

During the three years ended April 30, 2004, our review noted expenditures which do not appear to be a necessary and prudent use of public funds, including \$32,630 for retirement rings, \$32,398 for annual unit dinners, and \$23,949 for flowers and fruit baskets. A similar condition was noted in our prior report.

(over)

YELLOW SHEET

The Records Unit receives mail-in requests for copies of accident reports primarily from insurance companies. The entity requesting a report must submit either a check or a coupon to pay the \$5 fee. On April 7, 2004, we noted that the report production section had a backlog of 643 unfilled requests and had 443 checks totaling \$2,546 and 200 coupons being held pending the mailing of the accident report. The oldest bundle was from March 16, 2004. The unit assistant supervisor indicated the sixteen working day backlog was fairly typical.

The current method of handling the mail-in accident report requests and monies results in a lack of detailed receipts, lack of segregation of duties, and delays in the transmittal of monies. In addition, the accounting unit cannot reconcile records unit receipts to monies transmitted to the accounting unit.

A follow-up on prior audit findings from audit report number 99-115, released December 6, 1999, found the KCBPC has not implemented our recommendation to reevaluate the department policy of compensating retiring employees for any unused sick leave. We found the department paid out approximately \$3.75 million for the three years ended April 30, 2004, under the sick leave buyout program. We still recommend the department consider reevaluating the current policy.

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Kansas City Board of
Police Commissioners
Kansas City, MO 64106

The State Auditor is authorized under Section 84.350, RSMo 2000, to audit the Kansas City Board of Police Commissioners (KCBPC). The board engaged BKD, LLP, Certified Public Accountants (CPAs), to audit the board's financial statements for the two years ended April 30, 2004. The board engaged KPMG, LLP, Certified Public Accountants (CPAs) to audit the board's financial statements for the year ended April 30, 2002. To satisfy our statutory obligation and minimize duplication of effort, the State Auditor has used the work of the CPA firms. We reviewed the reports and substantiating working papers of the CPA firms to satisfy ourselves as to the appropriateness of using the reports, and we accept them in partial fulfillment of our responsibility under Section 84.350, RSMo 2000. The additional objectives of this audit were to:

1. Review compliance with certain legal provisions.
2. Evaluate the economy and efficiency of certain management practices and operations.
3. Review certain revenues received and expenditures made by the KCBPC.
4. Follow-up on the status of recommendations made in our prior report.

Our methodology to accomplish these objectives included reviewing minutes of meetings, written policies, financial records, and other pertinent documents; interviewing various personnel of the KCBPC and the Kansas City Police Department; conducting on site visits; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. We also performed tests of certain controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed

and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in the audit of the board.

The accompanying Management Advisory Report presents our findings arising from our audit of the Kansas City Board of Police Commissioners.



Claire McCaskill
State Auditor

August 23, 2004 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Kenneth W. Kuster, CPA
Audit Manager: John Blattel, CPA, CFE
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MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

KANSAS CITY
BOARD OF POLICE COMMISSIONERS
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Take-Home Vehicles
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The Kansas City Board of Police Commissioners (KCBPC) assigns take-home vehicles to 377 personnel meeting certain criteria. We estimated the Kansas City Police Department (KCPD) incurred costs of about \$329,000 annually related to commuting mileage of 168 take-home vehicles for employees who were required to return to work an average of less than 3 times per month under the standby/on-call criteria.

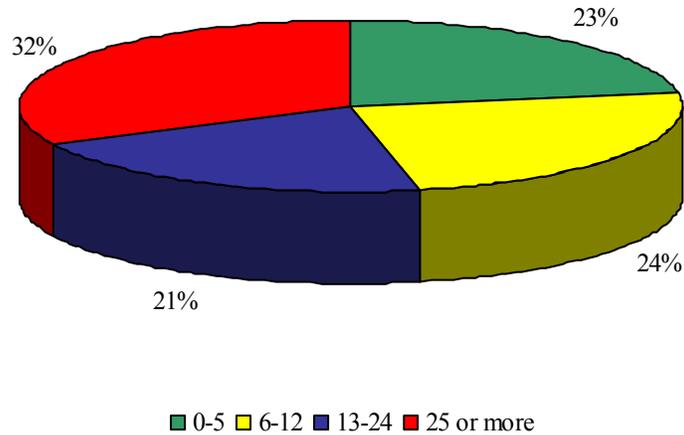
The police department has a fleet of about 900 vehicles. There are four general criteria for assignment of take-home vehicles:

- The employee is subject to standby/on-call duty.
- The vehicle is assigned a security status because it contains department equipment or operates in an undercover capacity.
- The assigned workplace of the employee has very limited parking.
- The vehicle is funded by grants requiring the vehicle to be kept in high visibility status, such as the DARE vehicles.

We noted at least 151 of 377 personnel assigned take-home vehicles were sergeants and higher ranking officers. In addition to the criteria discussed above, the KCBPC indicated several other reasons for providing certain personnel take-home vehicles, including the increased ability to respond to emergencies with a fully equipped police vehicle and the deterrence to crime arising from having a police vehicle located in residential areas.

We noted that 248 of 377 personnel assigned take-home vehicles fell under the standby/on-call criteria. We contacted half of those employees at random and requested they indicate the number of times in calendar year 2003 they had returned to work under the standby/on-call criteria. Sixty-eight percent of those contacted indicated they were required by their duties to return to work 2 or fewer times per month. The following chart summarizes the responses to our question:

Yearly Call Backs for Take-Home Vehicles



Based upon those results, we estimated that 168 personnel with take-home standby/on-call vehicles were called-back less than 3 times each month. The annual cost of the commuting mileage for those 168 take-home standby vehicles was about \$329,000. We estimated the cost of reimbursing those 168 employees for the use of their personal vehicles in lieu of providing a take-home vehicle would have been about \$34,000 annually. The department could realize annual savings of about \$295,000. In addition, eliminating the commuting mileage placed upon the take-home vehicles would result in a reduction of nearly 1 million fleet miles annually on a fleet with an average age of over 6.5 years and an average mileage of more than 96,000 miles during 2003. Our cost estimates were based using a mileage reimbursement rate of \$0.335 and a workday round trip commute of 25 miles.

We noted the City Auditor's Office of Kansas City had issued a report in November 2000 that also addressed the take-home vehicles and the lack of clear criteria for assignment and use of these vehicles. In response to that report the Chief of Police indicated the KCBPC would clarify, define, and formalize criteria for take-home vehicle assignments and develop a review system to evaluate take-home vehicle assignments based upon the newly established criteria. We noted the KCBPC has adopted new criteria and implemented a review system for take-home vehicles. As a result of that departmental review, the number of take-home vehicles classified as standby/on-call decreased by 28 between May 2000 and April 2003. However, the total number of take-home vehicles actually increased from 374 to 377 over the same time period. During this period some take-home vehicles were reclassified from standby/on-call to other classifications which gave the indication that a significant change had been made in the number of take-home vehicles. In fact, 3 vehicles were added to the take-home fleet. As a result, the cost of the take-home fleet is even greater than the cost was in 2000 when this area was reviewed by the City Auditor.

WE RECOMMEND the KCBPC reexamine the policies and criteria for authorization of take-home vehicle assignments and consider reducing the number of take-home vehicles to reduce this costly program.

AUDITEE'S RESPONSE

The Department agrees that a saving could be achieved by reducing the number of take-home vehicles. The Department believes that the number of take-home vehicles should not be determined solely on monetary issues. Department policy has clarified, defined, and formalized criteria for take-home vehicles. The Department has a system to review take-home vehicles. The Chief of Police must approve any additions to the number of take-home vehicles. The Department will continue to monitor take-home vehicles.

Focusing solely on the cost associated with take-home vehicles fails to take into account the need for the Department to respond rapidly to critical incidents. Certain Department elements and commanders maintain specialized equipment in their take-home vehicles. This equipment should be deployed along with law enforcement employees as soon as possible to a critical incident. Officers assigned take-home vehicles with specialized equipment may be called back to duty infrequently, however, when they are called back to duty the response must be rapid. The Department must error on the side of public safety rather than place a dollar figure on response time.

There are also ancillary benefits associated with take-home vehicles. Take-home vehicles provide a higher police visibility when commuting to and from work. Take-home vehicles parked in high crime areas may be a deterrent to crime. Officers commuting to and from work frequently engage in public safety activities.

2. Cellular Telephone Controls

The KCBPC could further reduce cellular telephone expenses by ensuring established review procedures are fully performed each month and by changing some phones to more economical plans. The KCBPC has acquired about 520 cellular telephones to improve the department's communications capabilities. We obtained the cellular bills for 475 phones that were not assigned to undercover operations. During the three years ended April 30, 2004, the department spent about \$866,000 for cellular services for these 475 phones. Of that amount, over \$133,000 was paid for excess minutes and roaming charges. The majority of these charges could have been avoided if the cellular phones had been placed in the most economical calling plans based upon their normal business usage patterns.

In early 2003 following implementation of KPBPC policy 03-4, the KCBPC began an enhanced review of the cellular phone bills and were able to identify and shift many phones to more appropriate calling plans. They also began monitoring for excessive personal calls for phones with charges that were exceeding the selected calling plan's

basic rate. However, the enhanced review process was not fully completed for August through November 2003 billings “due to workload restrictions.”

Following the implementation of the enhanced review, the excess minutes and roaming charges dropped from 18 percent to 10 percent of annual cellular phone costs. Annual estimated savings due to the enhanced review appear to be at least \$25,000. The enhanced review of cellular telephone bills should be continued and could result in significant additional savings.

WE RECOMMEND the KCBPC continue the enhanced review of cellular telephone billings to reduce the costs arising from excessive personal use and to ensure phones are assigned to the most economical calling plans.

AUDITEE'S RESPONSE

The Department continues to review the cellular telephone bills on a monthly basis. We are in agreement with the Missouri State Auditor's Office that the monitoring of cell phones reduces the Department's cell phone expenses.

3.	Expenditures
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A. During the three years ended April 30, 2004, our review noted expenditures for which a public purpose was not demonstrated or documented. Questionable expenditures are as follows:

Retirement Rings	\$32,630
Annual Unit Dinners	32,398
Flowers and Fruit Baskets	23,949
Chief's Office Tee Shirts	5,231
Cakes/Cookies for Ceremonies	4,891
Chief's Office Coffee Mugs	2,969
Total	\$102,068

These expenditures do not appear to be a necessary and prudent use of public funds. The KCBPC needs to reevaluate the policies regarding the purchasing of items for which a public purpose cannot be clearly demonstrated.

A similar condition was noted in the our prior report.

B. The KCBPC improperly recorded a 2003 purchase as a fiscal year 2000 purchase. The KCBPC issued a purchase order dated April 28, 2000, in the amount of \$5,381 for a helicopter part. The vendor was unable to obtain the part from the manufacturer. The KCBPC was able to salvage the needed part from a surplus machine that was acquired subsequent to the issuance of the purchase order. The open purchase order was not canceled for three fiscal years. In fiscal year 2003,

different parts were ordered from the vendor under the open purchase order and those items were received in March 2003. As a result, the purchase was charged against the fiscal year 2000 budget even though the purchase was not made until fiscal year 2003. It is unclear why the procedure for canceling open purchase orders was not followed in this instance.

WE RECOMMEND the KCBPC:

- A. Evaluate the policies regarding purchases of items for which a public purpose cannot be clearly demonstrated.
- B. Ensure prior year open purchase orders are canceled when it is determined the vendor cannot provide the authorized goods or services.

AUDITEE'S RESPONSE

- A. *The money spent for retirement rings, flowers, cakes, fruit baskets, etc. is essential to the continued morale of department employees. It is also felt that these small tokens of appreciation help in the area of employee retention. No change in policy has occurred or is anticipated.*
- B. *The transaction pertaining to the purchases made against the 2000 fiscal year encumbrance was a violation of accounting practices. The purchase order should have been cancelled and the funds should have been returned to the city. The department is allowed to make purchases against prior year encumbrances. The department is not allowed to purchase items that were not listed on the original purchase order that created the encumbrance. This was a one-time event. Employees have been reminded how prior year purchase orders should be administered.*

4.

Records Unit Controls and Procedures

The KCBPC Records Unit has not developed adequate controls and procedures to ensure timely deposit of monies received in the mail. The Records Unit receives mail-in requests for copies of accident reports, primarily from insurance companies. There are two employees assigned to handle these requests. The entity requesting a report must submit either a check or a coupon to pay the \$5 fee. On April 7, 2004, we noted that the report production section had a backlog of 643 unfilled requests and had 443 checks totaling \$2,546 and 200 coupons being held pending the mailing of the accident report. The oldest bundle was from March 16, 2004. The unit assistant supervisor indicated the sixteen working day backlog was fairly typical.

The record requests, checks, and/or coupons are bundled into batches as the mail is received. A coversheet listing the accident report numbers requested is prepared. As time allows the oldest bundles are worked and when a report is copied and readied for mailing, the checks and coupons are transmitted to the accounting unit. When an

accident report cannot be located because of a wrong report reference or case number is provided by the requestor, the original request and the check or coupon are returned to the requestor. The unit assistant supervisor indicated an average 50 to 100 checks or coupons are returned each month.

This method of handling the mail-in accident report requests and monies results in a lack of detailed receipts, lack of segregation of duties, and delays in the transmittal of monies. In addition, the accounting unit cannot reconcile records unit receipts to monies transmitted to the accounting unit. Since the records unit has an existing cashier function, the checks and coupons could be separated from the accident requests and included in the cashier's daily transmittals to the accounting unit. When the report production unit determined no accident report could be located, they could notify the cashier that a refund needs to be made. The cashier could then identify the specific receipt number for the original transmittal and notify the accounting unit to issue a refund.

WE RECOMMEND the KCBPC revise the procedures for handling the monies related to accident report requests received in the mail by separating the report production function from the cash handling function and establish a system for initiating and tracking refunds.

AUDITEE'S RESPONSE

The Department agrees with the recommendation. The Records Unit and the Accounting and Payroll Section are currently working on a solution to the practice and are implementing a procedure to handle this recommendation.

FOLLOW-UP ON PRIOR AUDIT FINDINGS

KANSAS CITY
BOARD OF POLICE COMMISSIONERS
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the department on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended April 30, 1999.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the department should consider implementing those recommendations.

1. Fleet Operations

- A. The department had not adopted a vehicle replacement plan.
- B. The department had not adopted policies and procedures to ensure that fleet operations performance objectives were met.
- C. The department repaired vehicles which should have been replaced.

Recommendations:

The department:

- A. Develop and implement a vehicle replacement plan and continue to pursue adequate funding for the purchase of new and used replacement vehicles to accomplish the objectives of the plan.
- B. Review and monitor the fleet unit's performance using the internally prepared performance measures and, if necessary, make changes to its procedures to meet these objectives.
- C. Review policies and procedures for maintenance and repairs to wrecked or damaged vehicles. The department should also consider alternatives to repairing older high mileage wrecked vehicles such as purchasing used patrol cars from the Missouri State Highway Patrol (MSHP).

Status:

A&C. Implemented.

- B. Partially implemented. The department changed some of the performance objectives to more reasonable levels and have shown some improvement toward reaching their revised goals. Although not repeated in the current MAR, our recommendation remains as stated above.

2. Questionable Expenditures and Bidding

- A. Disbursements totaling approximately \$50,000 were made for which a public purpose was not demonstrated.
- B. The department paid \$7,050 to not-for-profit organizations for annual banquets.
- C. The board did not consistently follow its written bid policy.
- D. The department made transfers between funds that were not repaid.

Recommendations:

The department:

- A. Ensure disbursements are necessary and prudent uses of public funds.
- B. Obtain written agreements specifying terms of payments and the responsibilities of both parties for all services received.
- C. Ensure bids are solicited for all applicable purchases in accordance with the board's policy.
- D. Discontinue making operating transfers of funds from the Special Services Fund to the Alert II Computer System Fund, or if additional transfers are necessary, consider transferring the monies back when the Alert II Computer System Fund cash is available.

Status:

- A. Not implemented. See MAR finding number 3.
- B&C. Not implemented. The department continued to purchase tickets from non-profit organizations for annual dinner banquets. The department did not always ensure bids were solicited. Although not repeated in the current MAR, our recommendation remains as stated above.
- D. Implemented.

3. Sick Leave Buyout

Department Personnel Policy No. 450 provides that retiring employees will be compensated for any unused sick leave. For the two years ended April 30, 1999, \$3.9 million was paid out for unused sick leave.

Recommendations:

The department discuss with the city the reevaluation of the current sick leave buyout program, compare its program to those in other cities, and consider making revisions that would benefit the employees while also conserving available fiscal resources.

Status:

Not implemented. The department paid out approximately \$3.75 million for the three years ended April 30, 2004, under the sick leave buyout program. Although not repeated in the current MAR, our recommendation remains as stated above.

4. Records Unit Controls and Procedures

- A. Accounting duties were not adequately segregated.
- B. Receipt slips issued by the unit did not indicate the method of payment received.
- C.1. Mail logs were not kept to record each check received by mail.
- C.2. Mail receipts were not processed on a timely basis and were not adequately secured during working hours.
- D. Access to collections was not adequately controlled.

Recommendations:

The department:

- A. Adequately segregate duties between available employees and/or establish a documented periodic review of records by an independent person.
- B. Indicate the method of payment on receipt slips issued and reconcile total cash, check, and money orders received to transmittals to the Accounting Unit.
- C.1. Maintain a log of all mail receipts and reconcile the log to receipt records on a daily basis.
- C.2. Open, receipt, and transmit mail receipts when received.
- D. Restrict access to the cash drawers to only one person per drawer.

Status:

- A, B,
&C. Not implemented. See MAR finding number 4.

D. Implemented.

5. Accounting Unit Controls and Procedures

- A. Monies collected by the Legal Unit, Fingerprint Identification Unit, Private Officers Licensing Unit, Commissary, and the Private Alarm Unit were not transmitted to the Accounting Unit on a timely basis.
- B. The department did not account for the numerical sequence of outside warrants and bond monies collected at department headquarters and at the five patrol division. Bond forms were not always used in sequence.

Recommendations:

The department:

- A. Transmit receipts daily or whenever accumulated receipts exceed \$100.
- B. Account for the numerical sequence of outside warrant bond forms to ensure that bond forms are being used in sequence and are being recorded on the bond logs.

Status:

- A. Partially implemented. The department has established a schedule for transmittals from the various units to the accounting unit on daily, weekly, or monthly basis according to the amount of monies handled by the various units. Although not repeated in the current MAR, our recommendation remains as stated above.
- B. Not implemented. The department is considering development of financial software to assign and track the sequence of outside warrant bond forms. Although not repeated in the current MAR, our recommendation remains as stated above.

6. Inventory Controls and Procedures

- A. Inventory records for the Supply Unit, Helicopter Unit, and Radio Maintenance Unit were not maintained in a manner that would allow beginning balances, additions, and usages for each year to be reconciled to balances at the end of the year.
- B. Annual physical inventories for the Supply Unit were performed by the same employees that have custody of inventories.
- C. Accounting duties for Fleet Operations Unit were not adequately segregated.

Recommendations:

The department:

- A. Maintain the inventory records for the Supply Unit, Helicopter Unit, and Radio Maintenance Unit in a manner to identify beginning inventory balance, additions, usages, and ending inventory balance for each fiscal year.
- B. Require the supply unit to perform physical inventories by someone independent of custodial and record-keeping duties.
- C. Require the Fleet Operations Unit adequately segregate duties between available employees and/or establish a documented periodic review of records by an independent person.

Status:

A, B,

- &C. Not implemented. The department has made improvement in inventory procedures in some areas. Although not repeated in the current MAR, our recommendations remain as stated above.

7. Fixed Assets

- A. Physical inventories were performed by the same unit that had custody of the fixed assets.
- B. Some fixed assets were not properly numbered, tagged, or otherwise identified as department property.
- C. Department personnel were not preparing the "Property Inventory Action Form" and submitting it to the inventory control officer. This report should be used when equipment is transferred within or between departments and if this equipment is stolen, destroyed, surplus, or otherwise disposed of.

Recommendations:

The department:

- A. Require physical inventories to be conducted by persons independent of those having record-keeping or custodial duties.
- B. Properly number or tag all fixed asset items.
- C. Establish procedures to ensure that all transfers and disposals of property items are reported immediately to the inventory control officer.

Status:

A&B. Not implemented. Although not repeated in the current MAR, our recommendations remain as stated above.

C. Implemented.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

KANSAS CITY BOARD OF POLICE COMMISSIONERS
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Kansas City Board of Police Commissioners was established by an act of the legislature in 1873 to provide law enforcement protection to the citizens of the city of Kansas City. The board operates under the provisions of Sections 84.350 to 84.860, inclusive, RSMo 2000.

The Board of Police Commissioners consists of five members. The governor, with the consent of the Senate, appoints four commissioners who, with the mayor of the city of Kansas City, control the operations of the Kansas City Police Department. The board members are appointed for a term of four years.

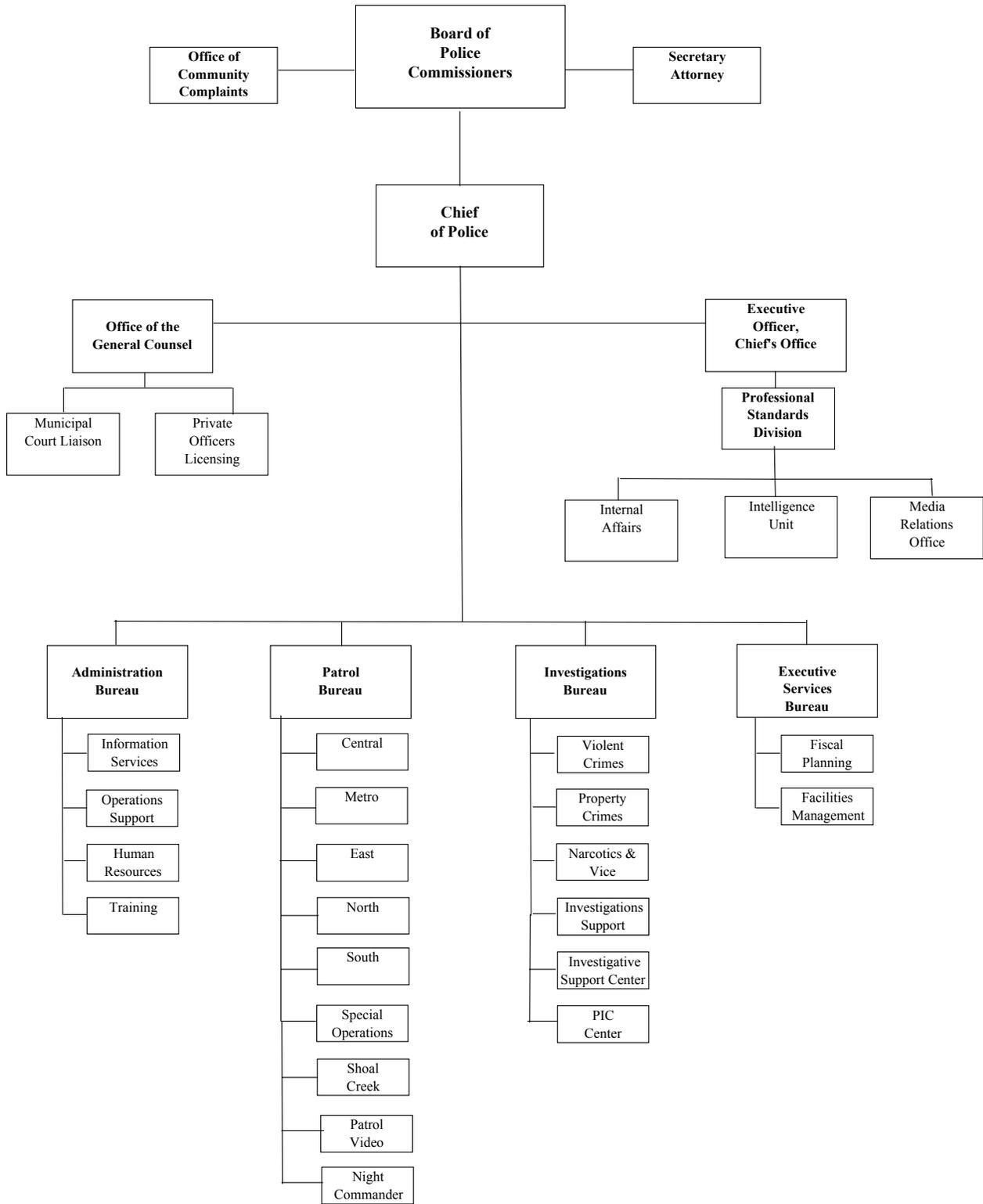
The members of the Board of Police Commissioners at April 30, 2004, were:

<u>Member</u>	<u>Term Expires</u>
Karl Zobrist, President	March 7, 2008
Javier Perez, Jr., Vice President	March 7, 2005
Angela Wasson-Hunt, Treasurer	March 7, 2006
James B. Wilson	March 7, 2007
Mayor Kay Barnes	April 10, 2007

Dr. Stacey Daniels-Young, Joseph J. Mulvihill, Dennis C. Eckold, and Rudolph R. Rhodes, III also served on the board during the 3 years ended April 30, 2004. Richard D. Easley served as Chief of Police from April 2, 1999, until his retirement effective September 9, 2004. On this date, Deputy Chief Rachel Whipple was named Interim Chief. James Corwin was appointed Chief of Police effective October 26, 2004. The KCBPC employed 1,324 law enforcement officers and 634 civilians as of April 30, 2004.

An organization chart follows:

KANSAS CITY BOARD OF POLICE COMMISSIONERS ORGANIZATION CHART



Appendix A

**KANSAS CITY BOARD OF POLICE COMMISSIONERS
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
THREE YEARS ENDED APRIL 30, 2004**

	Year Ended April 30,		
	2004	2003	2002
Revenues			
Received from city of Kansas City	\$ 134,660,849	\$ 131,591,789	\$ 119,788,310
Intergovernmental	732,857	408,066	0
Other	27,394	23,251	70,929
Total Revenues	<u>135,421,100</u>	<u>132,023,106</u>	<u>119,859,239</u>
Expenditures			
Personal Services	112,618,788	107,145,226	101,513,245
Contractual Services	18,156,824	19,836,065	13,549,995
Commodities	4,261,060	4,672,610	4,068,927
Capital Outlay	147,000	564,215	639,480
Total Expenditures	<u>135,183,672</u>	<u>132,218,116</u>	<u>119,771,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>237,428</u>	<u>(195,010)</u>	<u>87,592</u>
Other Financing Sources (Uses)			
Transfers	<u>(135,598)</u>	<u>308,941</u>	<u>(151,094)</u>
Total Other Financing Sources and Uses	<u>(135,598)</u>	<u>308,941</u>	<u>(151,094)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>101,830</u>	<u>113,931</u>	<u>(63,502)</u>
Fund Balance Beginning of Year	<u>123,079</u>	<u>39,148</u>	<u>102,650</u>
Change in Accounting Principle (1)	<u>0</u>	<u>(30,000)</u>	<u>0</u>
Adjusted Fund Balance Beginning of Year	<u>0</u>	<u>9,148</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 224,909</u>	<u>\$ 123,079</u>	<u>\$ 39,148</u>

(1) Due to Implementation of GASB No. 34

Source: KCBPC audited financial statements

Appendix B

KANSAS CITY BOARD OF POLICE COMMISSIONERS
 COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - OTHER FUNDS*
 THREE YEARS ENDED APRIL 30, 2004

	Year Ended April 30,		
	2004	2003	2002
Revenues			
Received from city of Kansas City	\$ 1,957,697	\$ 2,459,191	\$ 2,338,204
Intergovernmental	7,170,410	7,743,710	7,804,599
Charges for Services	3,296,255	3,380,235	3,154,869
Other	222,483	426,751	1,101,177
Total Revenues	<u>12,646,845</u>	<u>14,009,887</u>	<u>14,398,849</u>
Expenditures			
Personal Services	4,959,473	4,649,603	4,896,294
Contractual Services	4,299,910	4,291,760	3,941,383
Commodities	326,474	576,651	753,670
Capital Outlay	3,983,357	4,176,440	4,472,807
Total Expenditures	<u>13,569,214</u>	<u>13,694,454</u>	<u>14,064,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(922,369)</u>	<u>315,433</u>	<u>334,695</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	17,324	42,280	0
Transfers	135,598	(308,941)	151,094
Total Other Financing Sources and Uses	<u>152,922</u>	<u>(266,661)</u>	<u>151,094</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing	<u>(769,447)</u>	<u>48,772</u>	<u>485,789</u>
Fund Balance Beginning of Year	4,917,194	4,868,422	4,253,397
Residual Equity Transfer	<u>0</u>	<u>0</u>	<u>129,236</u>
Fund Balance End of Year	\$ <u><u>4,147,747</u></u>	\$ <u><u>4,917,194</u></u>	\$ <u><u>4,868,422</u></u>

* Other Funds include the combined activity of the Special Services, ALERT Computer, and 13 other special revenue funds which record proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.